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IN THE  
**SUPREME COURT OF THE UNITED STATES**

---

OCTOBER TERM, 1978

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No. 78-888

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CHARLES NILES GROSVENOR, III, et al.,  
Petitioners,

v.

THE EQUITABLE LIFE ASSURANCE SOCIETY  
OF THE UNITED STATES,  
Respondent.

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**RESPONDENT'S BRIEF IN OPPOSITION TO  
PETITION FOR A WRIT OF CERTIORARI**  
To the United States Circuit Court of Appeals  
for the Sixth Circuit

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**RESPONDENT'S BRIEF IN OPPOSITION TO  
PETITION FOR A WRIT OF CERTIORARI**

**To the United States Circuit Court of Appeals  
for the Sixth Circuit**

---

Respondent, The Equitable Life Assurance Society of the United States, respectfully submits the following brief in opposition to the Petition for a Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit.

**OPINIONS BELOW**

The opinion of the District Court for the Western District of Tennessee is reported at 426 F.Supp. 67. The opinion of the Court of Appeals for the Sixth Circuit is not yet reported. Copies of such opinions are set forth in Appendices "A" and "B" to the Petition.



## **JURISDICTION**

The judgment of the Court of Appeals for the Sixth Circuit was entered July 6, 1978. A timely Petition for rehearing in banc was denied by an Order entered September 8, 1978. The jurisdiction of this Court was invoked under 28 U.S.C. §1254(1) with timely filing of the Petition for a Writ of Certiorari.

## **STATUTES INVOLVED**

Joint Resolution of June 5, 1933, ch. 48, §1, 48 Stat. 112-24, 31 U.S.C. §463 (App. 1).\*

Gold Reserve Act of 1934, Sections 3 and 4, 31 U.S.C. §§442 and 443 (repealed 1974) (App. 2).

Gold Reserve Act of 1934, Section 5, 31 U.S.C. §315b (App. 3).

Act of September 21, 1973, Section 3 ("Gold Ownership Amendment of 1973"), Pub.L. No. 93-110, 87 Stat. 352 (App. 3).

Act of Aug. 14, 1974, Section 2 ("Gold Ownership Amendment of 1974"), Pub.L. No. 93-373, 88 Stat. 445 (App. 4).

Act of Oct. 28, 1977, Section 4(c) (the "1977 Reaffirmation"), Pub.L. No. 95-147, 91 Stat. 1229 (App. 4).

(The texts of the listed statutes are set forth in the Appendix hereto.)

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\* "App." citations are to the Appendix hereto. "Pet. App." citations are to Petitioner's Appendix.

## **QUESTIONS PRESENTED**

1. Was the Joint Resolution of 1933 implicitly repealed by the Gold Ownership Amendments of 1973 and 1974?

2. Did Congress by enactment of Public Law 95-147 which reaffirmed the applicability of the Joint Resolution with respect to obligations issued prior to October 28, 1977, violate Petitioners' rights of substantive due process under the Fifth Amendment?

## **STATEMENT OF THE CASE**

This case involves the rights of the parties under a ninety-nine year lease of the land under the Sterick Building, a 29-story office building in Memphis, Tennessee. The term of the lease is from May 1, 1927 through April 30, 2025. Petitioners are the lessors and demanded from Respondent as lessee that after January 1, 1975, in accordance with a "gold clause" in the lease, that it pay the stipulated monthly rental of \$1,500 "in gold coin of the United States of America of the present (as of May 1, 1927) standard weight and fineness, or its equivalent to be determined at the time of the payment of each separate monthly installment of rent."

Respondent filed its Complaint for Declaratory Judgment against Petitioners seeking a judgment that its obligation to pay rent was and is dischargeable by the payment each month of \$1,500 in currency of the United States. Petitioners filed a Counter-Claim for Declaratory Judgment seeking to require the Respondent to pay the rent falling due on January 1, 1975, and thereafter in gold coin of the standard weight and fineness as of May 1, 1927, or the equivalent thereof in U.S. currency.

Both parties made motions for summary judgment and the District Court thereafter ruled in favor of the Respondent.

Such "gold clauses", which were widespread at the inception of the lease, were declared to be void and against public policy by the Joint Resolution of June 5, 1933, 31 U.S.C. §463, ch. 48, §1, 48 Stat. 112-13 (the "Joint Resolution") (App. 1), which provides in pertinent part, that:

"Every obligation, heretofore or hereafter incurred, . . . shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts."

The constitutional validity of the Joint Resolution was first upheld by this Court in *Norman v. Baltimore & O.R.R.*, 294 U.S. 240 (1935), in which a gold clause almost identical to that contained in the lease in question here was declared unenforceable. The constitutionality of the Joint Resolution was subsequently reaffirmed in several other cases reaching this Court in the 1930's. See, e.g., *Guaranty Trust Co. v. Henwood*, 307 U.S. 247 (1939); *Bethlehem Steel Co. v. Zurich General Accident & Liability Co.*, 307 U.S. 265 (1939); *Holyoke Water Power Co. v. American Writing Paper Co.*, 300 U.S. 324 (1937); *Nortz v. United States*, 294 U.S. 317 (1935); *Emery Bird Thayer Dry Goods Co. v. Williams*, 107 F.2d 965 (8th Cir. 1939), *cert. denied*, 309 U.S. 655 (1940).

In granting Equitable's Motion for Summary Judgment and denying that of Petitioners, the United States District Court for the Western District of Tennessee, Robert M. McRae, Jr., U.S. D.J., held "that the Repealing Act of 1975 did not repeal the Joint Resolution of June 5, 1933" and that the "basis upon which the United States Supreme Court held the Joint Resolution constitutional in 1934, *sic.* 1935, still exists today . . . ." (Pet. App. 25).

Petitioners appealed to the United States Court of Appeals for the Sixth Circuit. After all briefs were filed but before argument, Congress, on October 28, 1977, enacted Public Law 95-147 (App. 4) which reaffirmed the Joint Resolution as to obligations issued prior to October 28, 1977, and made it non-applicable to obligations issued after that date. Supplemental briefs were then filed arguing the effect of the Act of October 28, 1977 on the issues.

On July 6, 1978, the Court of Appeals affirmed the judgment of the District Court stating:

"Upon consideration the court is of the opinion that the district judge properly ruled that the Joint Resolution was constitutional and continues to bar enforcement of the gold clause in the instant contract. The court is further of the opinion that the recent amendments to the Gold Reserve Act of 1934, as contained in Public Law 95-147 and approved on October 28, 1977, support the trial judge's holding." (Pet. App. 27-28).

Respondent submits that the lower courts rightly rejected the arguments advanced below by Petitioners.

## REASONS FOR DENYING CERTIORARI

**I. There Is No Conflict Among the Courts, Federal and State, as to the Continued Validity of the Joint Resolution Nor Are There Any Other Grounds Warranting Review by This Court.**

This case raises no new constitutional or other question of major importance, there is no conflict in the decisions of any federal and state courts with respect to any issue presented herein, and the decision of the Sixth Circuit Court of Appeals below, affirming the decision of the District Court, is correct. Therefore, there is nothing to warrant review by this Court.

Since the enactment of the Gold Ownership Amendments, every federal and state court to consider the questions, without exception, has held that the Joint Resolution was and remains a constitutional exercise of Congress' exclusive power to issue and regulate the value of money granted in Paragraph 5 of Section 8, Article I of the United States Constitution, and that the Joint Resolution was not repealed by the Gold Ownership Amendments, which legalized the ownership of gold. *Southern Capital Corp. v. Southern Pacific Co.*, 568 F.2d 590 (8th Cir. 1978), *cert. denied*, 98 S.C. 2821, 56 L.Ed.2d 770 (May 30, 1977); *Henderson v. Mann Theatres Corp.*, 65 Cal.App.3d 397, 135 Cal. Rptr. 266 (1976), *cert. denied*, 434 U.S. 825 (Oct. 3, 1977); *Feldman v. Great Northern Ry.*, 428 F.Supp. 979 (S.D. N.Y.); and *Radue v. Zanaty*, 293 Ala. 585, 308 So.2d 242 (1975). Indeed, this Court recently has refused to review these issues as indicated in the first two citations above which show the dates upon which this Court denied certiorari in the cited cases that involved the exact issues as the instant case.

**II. The Courts Below Correctly Decided That the Gold Ownership Amendments Did Not Repeal the Joint Resolution and That Application of the Joint Resolution to Petitioners' Lease Does Not Violate Petitioner's Fifth Amendment Rights.**

**A. The gold ownership amendments did not expressly or impliedly repeal the joint resolution.**

The Gold Ownership Amendments made it lawful for United States citizens again to own gold. Subsection (a) of the Gold Ownership Amendments (App. 3-4) repealed<sup>1</sup> Sections 3 and 4 of the Gold Reserve Act of 1934, 31 U.S.C. §§ 442 and 443 (App. 2), which had, respectively, empowered the Secretary of the Treasury to issue regulations prescribing the limited conditions under which gold could then be acquired, held and used (e.g., for mining operations and industrial, professional and artistic uses), and provided penalties for violation of such regulations. Subsection (b) of the Gold Ownership Amendments provides, in relevant part, that "(n)o provision of any law . . . may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold."

There is simply no language in the Gold Ownership Amendments that would have effected the express repeal of the Joint Resolution. It was so held in *Southern Capital Corp. v. Southern Pacific Co.*, *Feldman v. Great Northern Ry.*, and *Henderson v. Mann Theatres Corp.*, *supra*. The only express repealer therein

<sup>1</sup> Repeal of Sections 3 and 4 of the Gold Reserve Act was accomplished in two steps by the Gold Ownership Amendments. Subsection (a) of the Gold Ownership Amendment of 1973 provided for such repeal, and subsection (b) for elimination of existing gold ownership prohibitions upon a finding by the President that the United States' international monetary position would not be adversely affected. The Gold Ownership Amendment of 1974 amended the Gold Ownership Amendment of 1973 by eliminating the gold ownership prohibitions on December 31, 1974, unless the President should have recommended such elimination prior to that date.



was of Sections 3 and 4 of the Gold Reserve Act, which dealt only with the acquisition and use of gold. The Joint Resolution was not mentioned in either Gold Ownership Amendment. Congress' silence in the Gold Ownership Amendments with respect to the Joint Resolution cannot be construed as an intention to repeal the Joint Resolution. A recognized rule of statutory construction is that the expression of certain things in a statute necessarily involves exclusion of other things not expressed—i.e., *expressio unius est exclusio alterius*. See, e.g., *Henderson v. Mann Theatres Corp.*, supra, 65 Cal.App.3d at 269.

Not only was there no express repeal, the Gold Ownership Amendments did not repeal the Joint Resolution by implication. Petitioners argue that the language in the Gold Ownership Amendments permitting U.S. citizens otherwise to deal with gold was intended by Congress to extend to all matters relating to gold, including its prohibited use as an index of monetary value. This argument was flatly rejected in the courts below and in *Southern Capital Corp. v. Southern Pacific Co.*, *Henderson v. Mann Theatres Corp.*, and *Feldman v. Great Northern Ry.*, supra.

Petitioners' argument is in direct conflict with the many rulings of this Court that repeals by implication are not favored. See, e.g., *Morton v. Mancari*, 417 U.S. 535, 549 (1974) and the cases cited therein. This Court's decision in *Morton* reaffirms the alternative requirements for implied repeal of an earlier statute by a later one—viz., (1) there must be an affirmative showing of a "clear and manifest intent" by Congress to repeal the earlier statute, or (2) the earlier and later statutes must be irreconcilable. Absent such intention and where the two statutes "are capable of co-existence," the courts must regard each as effective. *Morton*, supra, at 551. Petitioners have failed to demonstrate that either requirement has been satisfied, and are unable to do so.

As to the first requirement, there is nothing in the language of the Gold Ownership Amendments themselves, or in the legislative history of those enactments, that indicates affirmatively any Congressional intent to repeal the Joint Resolution. Indeed, all the available legislative history of the Gold Ownership Amendments mandates a contrary conclusion.

The testimony of the Chairman of the International Finance Subcommittee of the House Committee on Banking and Currency, which handled the Amendments, supports this conclusion:

"I want to emphasize that this would not mean that we intend to allow the writing of contracts in gold, or otherwise change the joint resolution on gold. Our intention is merely to allow individuals to buy, sell and own gold if and when it is possible to do this without sacrificing our national interest." 199 Cong. Rec. 16,968 (1973).

Moreover, officials of federal executive departments and independent agencies charged with monetary and banking administration have uniformly interpreted the Gold Ownership Amendments as not repealing or modifying the Joint Resolution. See Secretary of the Treasury's Statement of December 9, 1974, 122 Cong. Rec. S.9128 (daily ed. June 14, 1976);<sup>2</sup> Statements of the Board of Governors of the Federal Reserve Board, and the Comptroller of the Currency; and Statements of the Federal Deposit Insurance Corporation and Federal Home Loan

<sup>2</sup> On December 4, 1974, just a short time before the Gold Ownership Amendments became effective, Secretary of the Treasury William Simon testified before the House International Finance Subcommittee:

"Contracts payable alternatively in gold or in an amount of money measured thereby are both against public policy and unenforceable in our courts under the provisions of the Congressional Gold Clause Joint Resolution of 1933. *This clause continues to apply after the lifting of restrictions on bullion ownership.*" Hearings on H.R. 17475 Before the Subcomm. on International Finance of the House Comm. on Banking and Currency, 93d Cong., 2d Sess. 7 (1974). (Emphasis Supplied).



Bank Board, 4 CCH Fed. Banking L. Rep. ¶ 56,368 at 35,221-27 (1974). As a rule of statutory construction, these interpretations of the Gold Ownership Amendments are entitled to be given great weight by the courts. *Brodrick v. Oklahoma*, 413 U.S. 601, 617-618 (1973); *Udall v. Tallman*, 380 U.S. 1, 16 (1965).

As to the alternative requirement for implied repeal, the Joint Resolution and the Gold Ownership Amendments are not in conflict with each other and may be harmoniously construed. In enacting the Gold Ownership Amendments, Congress intended only to remove restrictions upon U.S. citizens in "purchasing, holding, selling or otherwise dealing in gold" as a commodity—i.e., to eliminate the restrictions on the use of gold as a commodity and to permit its acquisition for investment and speculative purposes. In enacting the Joint Resolution, Congress focused on debt obligations and other contracts, and intended, by demonetizing gold, to eliminate the interference of such provisions with its constitutional power to regulate the monetary system. *Norman v. Baltimore & O.R.R.*, *supra*. It is evident, then, that the Gold Ownership Amendments and the Joint Resolution deal with quite diverse subjects. Petitioners have failed to cite, nor can they cite, any authority to demonstrate that the Gold Ownership Amendments were intended to give gold a renewed monetary standing.

The lower courts herein and all other courts which have considered the question of implied repeal of the Joint Resolution by the Gold Ownership Amendments have held that there is no basic inconsistency, or positive repugnancy, in permitting the general range of activities incident to the ownership of gold as a commodity under the Gold Ownership Amendments, while denying by the Joint Resolution the right to enforce payment of obligations indexed to the value of gold. See, e.g. *Feldman v. Great Northern Ry.*; *Southern Capital Corp. v.*

*Southern Pacific Co.*, and *Henderson v. Mann Theatres Corp.*, *supra*.

The 1977 Reaffirmation (App. 4) makes the Joint Resolution inapplicable to obligations issued on or after October 28, 1977 and, in effect, reaffirms the Joint Resolution with respect to obligations issued prior to that date. The Joint Resolution continues, therefore, to invalidate gold clause obligations issued prior to October 28, 1977, including the gold clause obligation in Petitioners' lease. Moreover, Congress' enactment of the 1977 Reaffirmation is near irrefutable evidence that the Gold Ownership Amendments did not repeal the Joint Resolution by implication. The Court in *Southern Capital Corporation v. Southern Pacific Company*, *supra*, correctly concluded that, "(i)f Congress had earlier intended to implicitly repeal the Joint Resolution (i.e., by the Gold Ownership Amendments), it is highly doubtful that the Act of October 28, 1977, would have been necessary." And as held by the Sixth Circuit Court of Appeals in the instant case with regard to the Act of October 28, 1977, which was not in effect when the District Court ruled, such enactment supports the trial judge's holding (Pet. App. 28). It is clear, therefore, that the courts below correctly decided that the Gold Ownership Amendments did not expressly or impliedly repeal the Joint Resolution.

It may be asked why Respondent has labored over the statutory phase of this case as one of the questions presented herein due to the fact that Petitioners have apparently dropped their contentions in this regard although they were argued at length below and are alluded to by Petitioners in their Petition. The answer is that by the exercise of following the scheme of legislation by Congress involved herein, as all the courts that have considered the issue have done, it becomes apparent (i) that not only were such courts correct in this phase of the case, but (ii) also that Congress carefully considered the effect of its legislation upon the Joint Resolution and the resulting effect upon citizens and thus decided, by the Act of October 28, 1977,

to make the Joint Resolution applicable only to obligations issued after that date. It is of this distinction that Petitioners primarily complain and such is discussed below.

**B. Petitioners' substantive due process rights are not violated by application of the Joint Resolution to Petitioners' lease.**

Petitioners contend that because the courts have held that the Joint Resolution was not expressly or implicitly repealed as to all obligations by Congress and because Congress by the Act of October 28, 1977 made the Joint Resolution applicable only to obligations issued after that date, Petitioners are being deprived of their property, the right to collect rent in or measured by gold under a pre-October 28, 1977 obligation, in violation of their substantive due process rights accorded by the Fifth Amendment to the Constitution of the United States.

Application of the Joint Resolution to the gold clause in Petitioners' lease first effective in 1927 does not violate Petitioners' Fifth Amendment substantive due process rights. The Joint Resolution was found constitutional in 1935 (*Norman v. Baltimore & O.R.R.*, 294 U.S. 240 (1935)) and it continues today to meet substantive due process standards.<sup>3</sup>

The Joint Resolution was an exercise of Congress' express power, granted in Paragraph 5 of Section 8, Article I of the United States Constitution, to "coin money, regulate the value thereof, and of foreign coin". *Norman, supra*, at 302-306. This power resides exclusively with Congress and the wisdom of monetary measures is a political, not judicial, question. *Julliard v. Greenman*, 110 U.S. 421 (1884). Even though the 1933 Joint Resolution invalidated the gold clauses in then-existing contracts, it met the only constitutional requirement for a mone-

<sup>3</sup> It should be noted that Petitioners' due process arguments proceed on a basis discredited by this Court at least since its decision in *United States v. Carolene Products Co.*, 304 U.S. 144, 152 (1938).

tary measure to be valid: it was rationally related to a proper purpose and not arbitrary or capricious. *Norman, supra*, at 311.

The Joint Resolution has not lost its validity merely because time has passed, whether or not economic conditions have changed. Petitioners have the burden of showing that no reasonable state of facts can be conceived which supports its continued application. *United States v. Carolene Products Co.*, *supra*; cf. *Kelley v. Johnson*, 425 U.S. 238 (1976). Courts do not invalidate legislation simply because some think it unwise or because there might be a more reasonable means to the end sought. Cf. *Williamson v. Lee Optical*, 348 U.S. 438, 488 (1955). Petitioners must demonstrate that there is no monetary or other Congressional policy to which continued application of the Joint Resolution as to pre-October 28, 1977 obligations bears a rational relation. *United States v. Carolene Products Co.*, *supra*. Petitioners have not met and cannot meet this burden. Indeed, the 1977 Reaffirmation constitutes an express finding by Congress that the Joint Resolution was not to be retroactively repealed. In order to grant Petitioners the relief they seek, the 1977 Reaffirmation would have to be invalidated as well.

Although the words "equal protection" are not used by Petitioners in their argument, the charge that the application of the Joint Resolution only to obligations issued prior to October 28, 1977 violates the equal protection requirements of the Fifth Amendment is inherent in Petitioners' argument but such is without merit.

Congress' paramount monetary power permits it to adopt statutory schemes which may seem unfair to some. *Holyoke Water Power Co. v. American Writing Paper Co.*, 300 U.S. 324 (1936). Where legislation involves a national interest, as does the Joint Resolution, Congress may be justified in discriminating in a way which would be unacceptable if imposed by a state. *Hampton v. Mow Sun Wong*, 426 U.S. 88, 100 (1976). However, even if the Joint Resolution were subjected to equal pro-



tection analysis it would be found valid: the Joint Resolution does not discriminate against a suspect class, does not infringe a fundamental right, and is not arbitrary or capricious. It fully satisfies the equal protection tests set forth in *New Orleans v. Dukes*, 427 U.S. 297, 303 (1976). Petitioners have not demonstrated, and cannot, that the classifications effected by the Joint Resolution are not rationally related to a legitimate purpose. Many suggestions as to why Congress adopted the classification it did could be made but one will suffice. Gold clauses were widespread before the adoption of the Joint Resolution in 1933. They were contained in a large number of debt and lease instruments issued prior to 1933 but to run for a great number of years. Since 1933 many of those obligations have changed hands and the transactions were made and obligations assumed upon the premise that currency, not gold or an amount of currency measured by gold, would be used in a fixed amount to pay those obligations. The premise that Congress did not wish to drastically alter the obligations under these old instruments and change the expectations of parties under obligations assumed to have been fixed over 40 years ago with resulting dislocation to public, semi-public and private financial affairs and yet was willing to now let citizens, fully aware of the possible consequences of their acts, contract after October 28, 1977 to index obligations to gold is a reasonable basis for the resulting classification. Therefore, it is clear that the courts below correctly decided that Petitioners' substantive due process rights are not violated by application of the Joint Resolution to Petitioners' lease.

### CONCLUSION

As the courts below correctly decided, the Gold Ownership Amendments did not repeal the Joint Resolution and Petitioners' Fifth Amendment rights are not violated by application of the Joint Resolution to the gold clause in Petitioners' lease. The Petition for a Writ of Certiorari should, therefore, be denied.

Dated: December 18th, 1978.

Respectfully submitted,

JOE M. DUNCAN

C. THOMAS CATES

Attorneys for Respondent, The  
Equitable Life Assurance  
Society of the United States

### Certificate of Service

I hereby certify that on this 18th day of December, 1978, three copies of Respondent's Brief in Opposition to Petition for Writ of Certiorari were mailed, postage prepaid, to Crawford McDonald, PO Box 123, 150 East Court Avenue, Memphis, Tennessee 38101, to Henry M. Beaty, Jr., 44 North Second Street, Suite 703, Memphis, Tennessee 38103, and to Charles Niles Grosvenor, III, 1778 Glenwood Place, Memphis, Tennessee 38104. I further certify that all parties required to be served have been served.

Joe M. Duncan

130 North Court Avenue

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# APPENDIX

— A-1 —

## APPENDIX

**Joint Resolution of June 5, 1933, ch. 48, § 1,  
48 Stat. 112-13, 31 U.S.C. § 463**

To assure uniform value to the coins and currencies of the United States.

Whereas the holding of or dealing in gold affect the public interest, and are therefore subject to proper regulation and restriction; and

Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts. Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment*

is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision or authority contained in such law.

(b) As used in this resolution, the term "obligation" means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term "coin or currency" means coin or currency of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations.

**Gold Reserve Act of 1934, Secs. 3 and 4, ch. 6,  
§§ 3-4, 48 Stat. 337-38, 31 U.S.C.  
§§ 442, 443 (repealed)**

SEC. 3. The Secretary of the Treasury shall, by regulations issued hereunder, with the approval of the President, prescribe the conditions under which gold may be acquired and held, transported, melted or treated, imported, exported, or earmarked: (a) for industrial, professional, and artistic use; (b) by the Federal Reserve banks for the purpose of settling international balances; and, (c) for such other purposes as in his judgment are not inconsistent with the purposes of this Act. Gold in any form may be acquired, transported, melted or treated, imported, exported, or earmarked or held in custody for foreign or domestic account (except on behalf of the United States) only to the extent permitted by, and subject to the conditions prescribed in, or pursuant to, such regulations. Such regulations may exempt from the provisions of this section, in whole or in part, gold situated in the Philippine Islands or other places beyond the limits of the continental United States.

SEC. 4. Any gold withheld, acquired, transported, melted or treated, imported, exported, or earmarked or held in custody, in violation of this Act or of any regulations issued hereunder, or licenses issued pursuant thereto, shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law; and in addition any person failing to comply with the provisions of this Act or of any such regulations or licenses, shall be subject to a penalty equal to twice the value of the gold in respect of which such failure occurred.

**Gold Reserve Act of 1934, Sec. 5, 31 U.S.C.  
§ 315b, ch. 6, § 5, 48 Stat. 340**

No gold shall after January 30, 1934, be coined, and no gold coin shall after January 30, 1934, be paid out or delivered by the United States: *Provided, however,* That coinage may continue to be executed by the mints of the United States for foreign countries in accordance with section 367 of this title. All gold coin of the United States shall be withdrawn from circulation, and, together with all other gold owned by the United States, shall be formed into bars of such weights and degrees of fineness as the Secretary of the Treasury may direct. Act of Sept. 21, 1933, Sec. 3, Pub. L. No. 93-110, 87 Stat. 352

**("Gold Ownership Amendment of 1973")**

Sec. 3. (a) Sections 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442 and 443) are repealed.

(b) No provision of any law in effect on the date of enactment of this Act, and no rule, regulation, or order under authority of any such law, may be construed to prohibit any person

from purchasing, holding, selling, or otherwise dealing with gold.

(c) The provisions of this section, pertaining to gold, shall take effect when the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States' international monetary position.

**Act of Aug. 14, 1974, Sec. 2, Pub. L. No. 93-373, 88 Stat. 445  
("Gold Ownership Amendment of 1974")**

Sec. 2. Subsections 3(b) and (c) of Public Law 93-110 (87 Stat. 352) are repealed and in lieu thereof add the following:

"(b) No provision of any law in effect on the date of enactment of this Act, and no rule, regulation, or order in effect on the date subsections (a) and (b) become effective may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold in the United States or abroad.

"(c) The provisions of subsections (a) and (b) of this section shall take effect either on December 31, 1974, or at any time prior to such date that the President finds and reports to Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States' international monetary position."

**Act of Oct. 28, 1977, Sec. 4(c), Pub. L. 95-147, 91 Stat. 1229  
(the "1977 Reaffirmation")**

The joint resolution entitled "joint resolution to assure uniform value to the coins and currencies of the United States", approved June 5, 1933 (31 U.S.C. 463), shall not apply to obligations issued on or after the date of enactment of this section."